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**Finance, Revenue and Bonding Committee
March 11, 2020**

H.B. No. 5010 AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE GOVERNOR'S BUDGET.

The American Cancer Society Cancer Action Network (ACS CAN) appreciates the opportunity to provide comments on Section 9 (Lines 199-220) of H.B. No. 5010 AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE GOVERNOR'S BUDGET.

The American Cancer Society Cancer Action Network (ACS CAN) is the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society. We support evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem. On behalf of our constituents, many of whom have been personally affected by cancer, we support taxing electronic cigarettes at the same rate as cigarettes and other tobacco products. **We urge this committee to tax any e-cigarette, including any liquid, whether it contains nicotine or not, as well as any delivery devices, at 50% of wholesale in line with the tax on other tobacco products and direct this revenue to support evidence-based tobacco prevention programs.**

Nationwide, and in Connecticut, electronic cigarette use among middle and high school students has now surpassed cigarette use, doing so at an alarming rate. The 2017 Connecticut Youth Risk Behavior Survey points out that, between 2015 and 2017, the rate of current use of electronic cigarettes increased 51% from 7.2% to 14.7%. Nationwide, e-cigarette use among high school students increased by 135% and 218% among middle school students since 2017.

By 2019, those numbers rose to 27.5% of high school students and 10.5% of middle school students, totaling more than 5.3 million students. Frequent e-cigarette use, that is using the product on at least 20 of the past 30 days, increased by 41.2% among middle and high school students from 2017 to 2019; with 30.4% of youth e-cigarette users reporting frequent use.

A 2016 U.S. Surgeon General's report concluded "e-cigarette use is strongly associated with the use of other tobacco products among youth and young adults, particularly combustible tobacco products." Unfortunately, last year the CDC confirmed that fact,

indicating a spike in combustible cigarette use for the first time in eight years, largely due to the explosion in e-cigarette use.

Fortunately, current public policy and research shows us the path toward breaking the cycle of tobacco addiction, while discouraging youth from ever starting to use e-cigarettes. This includes significant tax increases on all tobacco products, including e-cigarettes, and fully funding evidence-based tobacco prevention and cessation programs.

Significantly increasing tobacco taxes is one of the best ways to reduce tobacco use. Establishing a percent-of-price tax on all e-cigarettes equivalent to the tax on other tobacco products will optimize the health, revenue collection, and enforcement aspects of the policy. It is important to tax all tobacco products at an equivalent rate to encourage people to quit rather than switch to a cheaper product as well as to prevent youth from starting to use any tobacco product. When some tobacco products, including e-cigarettes, are taxed at a lower rate than other products, it makes them an appealing alternative for price-sensitive consumers including youth.

By increasing the tax on e-cigarettes, to a rate equivalent to other tobacco products, Connecticut can help reduce tax evasion, generate more new revenue, prevent initiation of these products and ensure that more people who use tobacco quit instead of switching to a cheaper product.

ACS CAN urges the committee to dedicate all e-cigarette tax revenue to supporting the state's tobacco control program. According to the Campaign for Tobacco-Free Kids, the tobacco industry spends \$64.5 million annually on marketing in Connecticut.¹ In comparison, excluding HUSKY, Connecticut has appropriated \$0 towards tobacco prevention and cessation efforts through the Tobacco Settlement Fund since 2015.

Evidence-based strategies help reduce the burden of tobacco addiction. They also help reduce the prevalence of youth initiation. ACS CAN believes taxing e-cigarettes at the same rate as other tobacco products is a critical step in reducing tobacco use in Connecticut.

Thank you for your consideration of our comments.

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¹ Campaign for Tobacco Free Kids, <https://www.tobaccofreekids.org/problem/toll-us/connecticut>